



1 The contracting states do hereby agree as follows:

2 ARTICLE I. DEFINITIONS

3 For purposes of this compact:

4 "Commission" means the Solemn Covenant of States Commission  
5 to Award Prizes for Curing Diseases established in Article II.

6 "Compact" means the Solemn Covenant of the States to Award  
7 Prizes for Curing Diseases enacted in this section.

8 "Compacting state" means either of the following:

9 (1) Any state that has enacted the compact and that  
10 has not withdrawn or been suspended pursuant to  
11 Article XIV of the compact; or

12 (2) The federal government in accordance with the  
13 commission's bylaws.

14 "Non-compacting state" means any state or the federal  
15 government, if it is not at the time a compacting state.

16 "Public health expenses" means the amount of all costs paid  
17 by taxpayers in a specified geographic area relating to a  
18 particular disease.

19 "State" means any state, district, or territory of the  
20 United States of America.

21 ARTICLE II. ESTABLISHMENT OF THE COMMISSION; MEMBERSHIP



1 (a) Upon the enactment of the compact by six states, the  
2 compacting states shall establish the Solemn Covenant of States  
3 Commission to Award Prizes for Curing Diseases.

4 (b) The commission shall be a body corporate and politic  
5 and an instrumentality of each of the compacting states and  
6 shall be solely responsible for its liabilities, except as  
7 otherwise specifically provided in the compact.

8 (c) Each compacting state shall be represented by one  
9 member as selected by the compacting state. Each compacting  
10 state shall determine its member's qualifications and period of  
11 service and shall be responsible for any action to remove or  
12 suspend its member or to fill the member's position if it  
13 becomes vacant. Nothing in the compact shall be construed to  
14 affect a compacting state's authority regarding the  
15 qualification, selection, or service of its own member.

16 ARTICLE III. POWERS OF THE COMMISSION

17 The commission may:

18 (1) Adopt bylaws and rules pursuant to Articles V and VI  
19 of the compact, which shall have the force and effect  
20 of law and shall be binding in the compacting states



1 to the extent and in the manner provided in the  
2 compact;

3 (2) Receive and review in an expeditious manner treatments  
4 and therapeutic protocols for the cure of disease  
5 submitted to the commission and to award prizes for  
6 submissions that meet the commission's standards for a  
7 successful cure, treatment, or therapeutic protocol;

8 (3) Make widely available a cure, treatment, or  
9 therapeutic protocol for which a prize is awarded,  
10 including by arranging or contracting for the  
11 manufacturing, production, or provision of any drug,  
12 serum, or other substance, device, or process;

13 (4) Establish and collect royalty fees imposed upon  
14 manufacturers, producers, and providers in non-  
15 compacting states or foreign countries of any drug,  
16 serum, or other substance, device, or process used for  
17 a cure, treatment, or therapeutic protocol, for which  
18 a prize is awarded; provided that the royalty fees for  
19 a particular state or country shall cumulatively be  
20 not more than the estimated five-year savings in  
21 public health expenses for that state or country, as



- 1           calculated by actuaries employed or contracted by the  
2           commission;
- 3           (5) Do the following regarding the collected royalty fees:
- 4           (A) Pay or reimburse expenses related to the payment  
5           of a prize, which shall include employing or  
6           contracting actuaries to calculate annual  
7           taxpayer savings amounts in compacting states in  
8           accordance with subsection (c) (7) (C) of Article  
9           VI, and payment of interest and other expenses  
10          related to a loan obtained in accordance with  
11          subsection (c) (7) (F) of Article VI; and
- 12          (B) Annually disburse any amounts remaining after  
13          making payments or reimbursements under paragraph  
14          (5) (A) of this Article as refunds to compacting  
15          states based on the per cent of the state's prize  
16          obligation in relation to the total obligation  
17          amount of all compacting states;
- 18          (6) Bring and prosecute legal proceedings or actions in  
19          its name as the commission;
- 20          (7) Issue subpoenas requiring the attendance and testimony  
21          of witnesses and the production of evidence;



- 1           (8)   Establish and maintain offices;
- 2           (9)   Borrow, accept, or contract for personnel services,  
3           including personnel services from employees of a  
4           compacting state;
- 5           (10)  Hire employees, professionals, or specialists, and  
6           elect or appoint officers; to fix their compensation,  
7           define their duties, give them appropriate authority  
8           to carry out the purposes of the compact, and  
9           determine their qualifications; and to establish the  
10          commission's personnel policies and programs relating  
11          to, among other things, conflicts of interest, rates  
12          of compensation, and qualifications of personnel;
- 13          (11)  Accept any and all appropriate donations and grants of  
14          money, equipment, supplies, materials, and services,  
15          and to receive, utilize, and dispose of the same;  
16          provided that at all times the commission shall strive  
17          to avoid any appearance of impropriety;
- 18          (12)  Lease, purchase, or accept appropriate gifts or  
19          donations of, or otherwise to own, hold, improve, or  
20          use, any property, real, personal, or mixed; provided,



- 1           that at all times the commission shall strive to avoid  
2           any appearance of impropriety;
- 3       (13) Sell, convey, mortgage, pledge, lease, exchange,  
4           abandon, or otherwise dispose of any property, real,  
5           personal, or mixed;
- 6       (14) Monitor compacting states for compliance with the  
7           commission's bylaws and rules;
- 8       (15) Enforce compliance by compacting states with the  
9           commission's bylaws and rules;
- 10       (16) Provide for dispute resolution among compacting states  
11           or between the commission and those who submit  
12           treatments and therapeutic protocols for the cure of  
13           disease for consideration;
- 14       (17) Establish a budget and make expenditures;
- 15       (18) Borrow money;
- 16       (19) Appoint committees, including management, legislative,  
17           and advisory committees comprising members, state  
18           legislators or their representatives, medical  
19           professionals, and any other interested persons as may  
20           be designated by the commission;



- 1       (20)   Establish annual membership dues for compacting
- 2               states;
- 3       (21)   Adopt and use a corporate seal; and
- 4       (22)   Perform any other functions as may be necessary or
- 5               appropriate to achieve the purposes of this compact.

6                               ARTICLE IV.   MEETINGS AND VOTING

7       (a)   The commission shall meet and take any actions as are

8 consistent with the compact, bylaws, and rules.

9       (b)   A majority of the members of the commission shall

10 constitute a quorum necessary in order to conduct business or

11 take actions at meetings of the commission.

12       (c)   Each member of the commission shall have the right and

13 power to cast one vote regarding matters determined or actions

14 to be taken by the commission. Each member shall have the right

15 and power to participate in the business and affairs of the

16 commission.

17       (d)   A member shall vote in person or by any other means as

18 provided in the commission's bylaws. The commission's bylaws

19 may provide for members' participation in meetings by telephone

20 or other means of communication.



1 (e) The commission shall meet at least once during each  
2 calendar year. Additional meetings shall be held as set forth  
3 in the commission's bylaws.

4 (f) No decision of the commission with respect to the  
5 approval of an award for a treatment or therapeutic process for  
6 the cure of a disease shall be effective unless two-thirds of  
7 all the members of the commission vote in favor thereof.

8 (g) Guidelines and voting requirements for all other  
9 decisions of the commission shall be established in the  
10 commission's bylaws.

11 ARTICLE V. BYLAWS

12 The commission, by a majority vote of all the members of  
13 the commission, shall prescribe bylaws to govern its conduct as  
14 may be necessary or appropriate to carry out the purposes, and  
15 exercise the powers, of the compact, including:

- 16 (1) Establishing the fiscal year of the commission;
- 17 (2) Providing reasonable procedures for appointing and  
18 electing members, as well as holding meetings, of the  
19 management committee;
- 20 (3) Providing reasonable standards and procedures:



- 1 (A) For the establishment and meetings of other
- 2 committees;
- 3 (B) Governing any general or specific delegation of
- 4 any authority or function of the commission; and
- 5 (C) Voting guidelines and procedures for commission
- 6 decisions;
- 7 (4) Providing reasonable procedures for calling and
- 8 conducting meetings of the commission that shall
- 9 consist of requiring a quorum to be present, ensuring
- 10 reasonable advance notice of each meeting and
- 11 providing for the right of citizens to attend each
- 12 meeting with enumerated exceptions designed to protect
- 13 the public's interest and the privacy of individuals;
- 14 (5) Providing a list of matters about which the commission
- 15 may go into executive session and requiring that a
- 16 majority of all members of the commission vote to
- 17 enter into an executive session. As soon as
- 18 practicable, the commission shall make public:
- 19 (A) A copy of the vote to go into executive session,
- 20 revealing the vote of each member with no proxy
- 21 votes allowed; and



- 1 (B) The matter requiring executive session, without
- 2 identifying the actual issues or individuals
- 3 involved;
- 4 (6) Establishing the titles, duties, authority, and
- 5 reasonable procedures for the election of the officers
- 6 of the commission;
- 7 (7) Providing reasonable standards and procedures for the
- 8 establishment of the personnel policies and programs
- 9 of the commission. Notwithstanding any civil service
- 10 or other similar laws of any compacting state, the
- 11 commission's bylaws shall exclusively govern the
- 12 personnel policies and programs of the commission;
- 13 (8) Allowing a mechanism for:
- 14 (A) The federal government to join as a compacting
- 15 state; and
- 16 (B) Foreign countries or subdivisions of those
- 17 countries to join as liaison members by adopting
- 18 the compact; provided that adopting countries or
- 19 subdivisions shall not have voting power or the
- 20 power to bind the commission in any way;



- 1           (9)    Adopting a code of ethics to address permissible and
- 2                    prohibited activities of members and employees;
- 3           (10)   Providing for the maintenance of the commission's
- 4                    books and records;
- 5           (11)   Governing the acceptance of and accounting for
- 6                    donations, annual member dues, and other sources of
- 7                    funding and establishing the proportion of these funds
- 8                    to be allocated to prize amounts for treatments and
- 9                    therapeutic protocols that cure disease;
- 10          (12)   Governing any fundraising efforts in which the
- 11                    commission wishes to engage; and
- 12          (13)   Providing a mechanism for winding up the operations of
- 13                    the commission and the equitable disposition of any
- 14                    surplus funds that may exist after the termination of
- 15                    the compact after the payment and reserving of all its
- 16                    debts and obligations.

17                                   ARTICLE VI.   RULES

- 18           (a)    The commission shall adopt rules to effectively and
- 19                    efficiently achieve the purposes of this compact.
- 20           (b)    The commission shall also adopt rules establishing the
- 21                    criteria for defining and classifying the diseases for which



1 prizes shall be awarded. The commission may consult the most  
2 recent edition of the international classification of disease as  
3 published by the World Health Organization or other definitions  
4 agreed to by a two-thirds vote of the commission.

5 (c) The commission shall also adopt rules regarding prizes  
6 for curing diseases that establish the following:

7 (1) At least ten major diseases for which to create  
8 prizes, which shall be determined based on the  
9 following factors:

10 (A) The severity of the disease to a human  
11 individual's overall health and well-being;

12 (B) The survival rate or severity of impact of the  
13 disease; and

14 (C) The public health expenses and treatment expenses  
15 for the disease;

16 (2) The criteria a treatment or therapeutic protocol shall  
17 meet in order to be considered a cure for any of the  
18 diseases for which a prize may be awarded, which shall  
19 include the following requirements:



- 1 (A) It yields a ninety-five per cent survival rate  
2 through at least five years after the treatment  
3 or protocol has ended; and
- 4 (B) It requires not more than one year of the  
5 treatment or protocol;
- 6 (3) The procedure for determining the diseases for which  
7 to award prizes, which includes the option to award  
8 prizes for more than ten diseases that meet the above  
9 criteria, if agreed to by two-thirds vote of the  
10 commission, and a requirement to update the list every  
11 three years;
- 12 (4) The submission and evaluation procedures and  
13 guidelines, including filing and review procedures,  
14 and limitations preventing public access to treatment  
15 or protocol submissions;
- 16 (5) The estimated five-year public health expenses for  
17 each disease in each compacting state and a procedure  
18 to update these expenses every three years in  
19 conjunction with the requirements in subsection (c) (3)  
20 of this Article. The estimated five-year public  
21 health expenses amount shall be calculated, estimated,



1 and publicized every three years by actuaries employed  
2 or contracted by the commission;

3 (6) The prize amount with respect to cures for each  
4 disease, which shall be equal to the most recent  
5 estimated total five-year savings in public health  
6 expenses for the disease as calculated in subsection  
7 (c)(5) of this Article in all of the compacting  
8 states; amounts donated by charities, individuals, and  
9 any other entities intended for the prize under  
10 Article I of the compact; and any other factors that  
11 the commission deems appropriate; and

12 (7) The prize distribution procedures and guidelines,  
13 which shall include the following requirements:

14 (A) Upon acceptance of a cure, the prize winner shall  
15 transfer to the commission the patent and all  
16 related intellectual property for the treatment  
17 or therapeutic protocol in exchange for the  
18 prize, except in the case that the prize money is  
19 considered by the commission to be too low, and  
20 that a prize will be awarded only to the first



1 person or entity that submits a successful cure  
2 for a disease for which a prize may be awarded;  
3 (B) Donation amounts intended for the prize shall be  
4 kept in a separate, interest-bearing account  
5 maintained by the commission. This account shall  
6 be the only account in which prize money is kept;  
7 (C) Each compacting state shall have the  
8 responsibility to pay annually the compacting  
9 state's actual one-year savings in public health  
10 expenses for the particular disease for which a  
11 cure has been accepted. The compacting state  
12 shall make an annual payment until it has  
13 fulfilled its prize responsibility as established  
14 in subsection (c)(6) of this Article. Each  
15 compacting state's payment responsibility shall  
16 begin one year after the date the cure becomes  
17 widely available. The commission shall employ or  
18 contract with actuaries to calculate each state's  
19 actual one-year savings in public health expenses  
20 at the end of each year to determine each state's  
21 responsibility for the succeeding year;



1 (D) Compacting states may meet prize responsibilities  
2 by any method including the issuance of bonds or  
3 other obligations, with the principal and  
4 interest of those bonds or obligations to be  
5 repaid only from revenue derived from estimated  
6 public health expense savings from a cure to a  
7 disease. If the compacting state does not make  
8 the revenue available to repay some or all of the  
9 revenue bonds or obligations issued, the owners  
10 or holders of those bonds or obligations shall  
11 have no right to have excises or taxes levied to  
12 pay the principal or interest on them. The  
13 revenue bonds and obligations are not a debt of  
14 the issuing compacting state;

15 (E) A compacting state may issue bonds or other debt  
16 that are general obligations, under which the  
17 full faith and credit, revenue, and taxing power  
18 of the state is pledged to pay the principal and  
19 interest under those obligations, only if  
20 authorized by the compacting state's constitution  
21 or, if constitutional authorization is not



1 required, by other law of the compacting state;  
2 and

3 (F) Upon acceptance of a cure, the commission shall  
4 obtain a loan from a financial institution in an  
5 amount equal to the most recently calculated  
6 total estimated five-year public health expenses  
7 for the disease in all compacting states, in  
8 accordance with subsection (c) (5) of this  
9 Article. The commission shall reserve the right  
10 to continuously evaluate the cure in the interim  
11 and rescind a prize offer if the commission finds  
12 that the cure no longer meets the commission's  
13 criteria.

14 (d) The commission also shall adopt rules that do the  
15 following:

16 (1) Establish the following regarding commission records:  
17 (A) Conditions and procedures for public inspection  
18 and copying of its information and official  
19 records, except information and records involving  
20 the privacy of individuals or otherwise violating



- 1                   privacy laws under federal law and the laws of  
2                   the compacting states;
- 3           (B) Procedures for sharing with federal and state  
4           agencies, including law enforcement agencies,  
5           records and information otherwise exempt from  
6           disclosure; and
- 7           (C) Guidelines for entering into agreements with  
8           federal and state agencies to receive or exchange  
9           information or records subject to nondisclosure  
10           and confidentiality provisions;
- 11       (2) Provide a process for commission review of submitted  
12       treatments and therapeutic protocols for curing  
13       diseases that includes the following:
- 14           (A) An opportunity for an appeal, not later than  
15           thirty days after a rejection of a treatment or  
16           protocol for prize consideration, to a review  
17           panel established under the commission's dispute  
18           resolution process;
- 19           (B) Commission monitoring and review of treatment and  
20           protocol effectiveness consistent with the cure



1 criteria established by the commission for the  
2 particular disease; and  
3 (C) Commission reconsideration, modification, or  
4 withdrawal of approval of a treatment or protocol  
5 for prize consideration for failure to continue  
6 to meet the cure criteria established by the  
7 commission for the particular disease;  
8 (3) Establish a dispute resolution process to resolve  
9 disputes or other issues under the compact that may  
10 arise between two or more compacting states or between  
11 the commission and individuals or entities who submit  
12 treatments and therapeutic protocols to cure diseases,  
13 which process shall provide for:  
14 (A) Administrative review by a review panel appointed  
15 by the commission;  
16 (B) Judicial review of decisions issued after an  
17 administrative review; and  
18 (C) Qualifications to be appointed to a panel, due  
19 process requirements, including notice and  
20 hearing procedures, and any other procedure,



1                    requirement, or standard necessary to provide  
2                    adequate dispute resolution; and

3            (4)    Establish and impose annual member dues upon  
4                    compacting states, which shall be calculated based  
5                    upon the percentage of each compacting state's  
6                    population in relation to the population of all the  
7                    compacting states.

8            (e)    Recognizing that the goal of the compact is to pool  
9                    the potential savings of as many states and countries as  
10                   possible to generate sufficient financial incentive to develop a  
11                   cure for many of the world's most devastating diseases, the  
12                   compact shall respect the laws of each state of the United  
13                   States by adopting rules that establish ethical standards for  
14                   research that shall be followed in order for a prize to be  
15                   claimed. The compact, in the rules, shall establish a common  
16                   set of ethical standards that embodies the laws and restrictions  
17                   in each of the states so that to be eligible for claiming a  
18                   prize, the entity submitting a cure shall not have violated any  
19                   of the ethical standards in any one of the fifty states, whether  
20                   the states have joined the compact or not. The compact shall  
21                   publish these common ethical standards along with the specific



1 criteria for a cure for each of the diseases the compact has  
2 targeted.

3 If a researcher follows the common ethical standards in  
4 effect at the time the research is done, an entity presenting a  
5 cure shall be deemed to have followed the standards. On or  
6 before January 1 of each year, the compact shall review all  
7 state laws to determine if additional ethical standards have  
8 been enacted by any of the fifty states and the federal  
9 government. Any changes to the common ethical standards rules  
10 based upon new state laws shall be adopted and published by the  
11 compact, but shall not take effect in cure criteria for a period  
12 of three years to allow for sufficient notice to researchers.

13 (f) All rules may be amended as the commission deems  
14 necessary.

15 (g) All rules shall be adopted pursuant to a rulemaking  
16 process that conforms to the 1981 model state administrative  
17 procedure act of the Uniform Law Commission as may be  
18 appropriate to the operations of the commission.

19 (h) If the commission exercises its rulemaking authority  
20 in a manner that is beyond the scope of the purpose of this



1 compact, or the powers granted hereunder, then the rule shall be  
2 invalid and have no force and effect.

3 ARTICLE VII. COMMITTEES

4 (a) Management Committee.

5 (1) The commission may establish a management committee  
6 comprised of not more than fourteen members when  
7 twenty-six states enact the compact;

8 (2) The committee shall consist of those members  
9 representing compacting states whose total public  
10 health expenses of all of the established diseases are  
11 the highest;

12 (3) The committee shall have the authority and duties as  
13 may be set forth in the commission's bylaws and rules,  
14 including:

15 (A) Managing authority over the day-to-day affairs of  
16 the commission in a manner consistent with the  
17 commission's bylaws and rules and the purposes of  
18 the compact;

19 (B) Overseeing the offices of the commission; and

20 (C) Planning, implementing, and coordinating  
21 communications and activities with state,



1 federal, and local government organizations in  
2 order to advance the goals of the compact;

3 (4) The commission annually shall elect officers for the  
4 committee, with each having the authority and duties  
5 as may be specified in the commission's bylaws and  
6 rules; and

7 (5) The management committee, subject to commission  
8 approval, may appoint or retain an executive director  
9 for the period, upon terms and conditions, and for the  
10 compensation as the committee determines. The  
11 executive director shall serve as secretary to the  
12 commission but shall not be a member of the  
13 commission. The executive director shall hire and  
14 supervise staff as may be authorized by the committee.

15 (b) Advisory Committees.

16 The commission may appoint advisory committees to monitor  
17 all operations related to the purposes of the compact and make  
18 recommendations to the commission; provided that the manner of  
19 selection and term of any committee member shall be as set forth  
20 in the commission's bylaws and rules. The commission shall  
21 consult with an advisory committee, to the extent required by



1 the commission's bylaws or rules, before doing any of the  
2 following:

- 3 (1) Approving cure criteria;
- 4 (2) Amending, enacting, or repealing any bylaw or rule;
- 5 (3) Adopting the commission's annual budget; or
- 6 (4) Addressing any other significant matter or taking any  
7 other significant action.

8 ARTICLE VIII. FINANCE

9 (a) The commission shall annually establish a budget to  
10 pay or provide for the payment of its reasonable expenses. To  
11 fund the cost of initial operations, the commission may accept  
12 contributions and other forms of funding from the compacting  
13 states and other sources. Contributions and other forms of  
14 funding from other sources shall be of a nature that the  
15 independence of the commission concerning the performance of its  
16 duties shall not be compromised.

17 (b) The commission shall be exempt from all taxation in,  
18 and by, the compacting states.

19 (c) The commission shall keep complete and accurate  
20 accounts of all of its internal receipts, including grants and  
21 donations, and disbursements of all funds under its control.



1 The internal financial accounts of the commission shall be  
2 subject to the accounting procedures established under the  
3 commission's bylaws or rules. The financial accounts and  
4 reports including the system of internal controls and procedures  
5 of the commission shall be audited annually by an independent  
6 certified public accountant. Upon the determination of the  
7 commission, but not less frequently than every three years, the  
8 review of the independent auditor shall include a management and  
9 performance audit of the commission. The commission shall make  
10 an annual report to the governors and legislatures of the  
11 compacting states, which shall include a report of the  
12 independent audit. The commission's internal accounts shall not  
13 be confidential, and the materials may be shared with any  
14 compacting state upon request; provided that any work papers  
15 related to any internal or independent audit and any information  
16 subject to the compacting states' privacy laws, shall remain  
17 confidential.

18 (d) No compacting state shall have any claim or ownership  
19 of any property held by or vested in the commission or to any  
20 commission funds held pursuant to the provisions of the compact.

21 ARTICLE IX. RECORDS



1           Except as to privileged records, data, and information, the  
2 laws of any compacting state pertaining to confidentiality or  
3 nondisclosure shall not relieve any member of the duty to  
4 disclose any relevant records, data, or information to the  
5 commission; provided that disclosure to the commission shall not  
6 be deemed to waive or otherwise affect any confidentiality  
7 requirement; and provided further that except as otherwise  
8 expressly provided in the compact, the commission shall not be  
9 subject to the compacting state's laws pertaining to  
10 confidentiality and nondisclosure with respect to records, data,  
11 and information in its possession. Confidential information of  
12 the commission shall remain confidential after the information  
13 is provided to any member. All cure submissions received by the  
14 commission shall be confidential.

15                                   ARTICLE X. COMPLIANCE

16           The commission shall notify a compacting state in writing  
17 of any noncompliance with commission bylaws and rules. If a  
18 compacting state fails to remedy its noncompliance within the  
19 time specified in the notice, the compacting state shall be  
20 deemed to be in default as set forth in Article XIV.

21                                   ARTICLE XI. VENUE



1           Venue for any judicial proceedings by, or against, the  
2 commission shall be brought in the appropriate court of  
3 competent jurisdiction for the geographical area in which the  
4 principal office of the commission is located.

5       ARTICLE XII.   QUALIFIED IMMUNITY, DEFENSE, AND INDEMNIFICATION

6           (a)   The members, officers, executive director, employees,  
7 and representatives of the commission shall be immune from suit  
8 and liability, either personally or in their official capacity,  
9 for any claim for damage to, or loss of, property or personal  
10 injury or other civil liability caused by, or arising out of,  
11 any actual or alleged act, error, or omission that occurred, or  
12 that the person had a reasonable basis for believing occurred  
13 within the scope of the person's commission employment, duties,  
14 or responsibilities; provided that nothing in this subsection  
15 shall be construed to protect any person from suit or liability  
16 for any damage, loss, injury, or liability caused by the  
17 intentional or wilful and wanton misconduct of that person.

18           (b)   The commission shall defend any member, officer,  
19 executive director, employee, or representative of the  
20 commission in any civil action seeking to impose liability  
21 arising out of any actual or alleged act, error, or omission



1 that occurred within the scope of the person's commission  
 2 employment, duties, or responsibilities, or that the person had  
 3 a reasonable basis for believing occurred within the scope of  
 4 commission employment, duties, or responsibilities; provided  
 5 that nothing in the compact or commission bylaws or rules shall  
 6 be construed to prohibit that person from retaining the person's  
 7 own counsel; and provided further that the actual or alleged  
 8 act, error, or omission did not result from that person's  
 9 intentional or willful and wanton misconduct.

10 (c) The commission shall indemnify and hold harmless any  
 11 member, officer, executive director, employee, or representative  
 12 of the commission for the amount of any settlement or judgment  
 13 obtained against the person arising out of any actual or alleged  
 14 act, error, or omission that occurred within the scope of the  
 15 person's commission employment, duties, or responsibilities, or  
 16 that the person had a reasonable basis for believing occurred  
 17 within the scope of commission employment, duties, or  
 18 responsibilities; provided that the actual or alleged act,  
 19 error, or omission did not result from the intentional or  
 20 willful and wanton misconduct of that person.

21 ARTICLE XIII. COMPACTING STATES, EFFECTIVE DATE, AND AMENDMENT



1 (a) Any state is eligible to become a compacting state.

2 (b) The compact shall become effective and binding upon  
3 legislative enactment of the compact into law by two compacting  
4 states; provided that the commission shall only be established  
5 after six states become compacting states. Thereafter, the  
6 compact shall become effective and binding as to any other  
7 compacting state upon enactment of the compact into law by that  
8 state.

9 (c) Amendments to the compact may be proposed by the  
10 commission for enactment by the compacting states. No amendment  
11 shall become effective and binding until all compacting states  
12 enact the amendment into law.

13 ARTICLE XIV. WITHDRAWAL, DEFAULT, AND EXPULSION

14 (a) Withdrawal.

15 (1) Once effective, the compact shall continue in force  
16 and remain binding upon each and every compacting  
17 state; provided that a compacting state may withdraw  
18 from the compact by doing both of the following:

19 (A) Repealing the law enacting the compact in that  
20 state; and



- 1 (B) Notifying the commission in writing of the intent  
2 to withdraw on a date that is both of the  
3 following:
- 4 (i) At least three years after the date the  
5 notice is sent; and
- 6 (ii) After the repeal takes effect;
- 7 (2) The effective date of withdrawal is the date described  
8 in subsection (a) (1) (B) of this Article;
- 9 (3) The member representing the withdrawing state shall  
10 immediately notify the management committee in writing  
11 upon the introduction of legislation in that state  
12 repealing the compact. If a management committee has  
13 not been established, the member shall immediately  
14 notify the commission;
- 15 (4) The commission or management committee, as applicable,  
16 shall notify the other compacting states of the  
17 introduction of the legislation within ten days after  
18 its receipt of notice thereof;
- 19 (5) The withdrawing state shall be responsible for all  
20 obligations, duties, and liabilities incurred through  
21 the effective date of withdrawal, including any



1 obligations, the performance of which extend beyond  
2 the effective date of withdrawal. The commission's  
3 actions shall continue to be effective and be given  
4 full force and effect in the withdrawing state; and

5 (6) Reinstatement following a state's withdrawal shall  
6 become effective upon the effective date of the  
7 subsequent enactment of the compact by that state.

8 (b) Default.

9 (1) If the commission determines that any compacting state  
10 has at any time defaulted in the performance of any of  
11 its obligations or responsibilities under the compact  
12 or the commission's bylaws or rules, then, after  
13 notice and hearing as set forth in the bylaws, all  
14 rights, privileges, and benefits conferred by this  
15 compact on the defaulting state shall be suspended  
16 from the effective date of default as fixed by the  
17 commission. The grounds for default include failure  
18 of a compacting state to perform its obligations or  
19 responsibilities, and any other grounds designated in  
20 commission rules. The commission shall immediately  
21 notify the defaulting state in writing of the



1 suspension pending cure of the default. The  
2 commission shall stipulate the conditions and the time  
3 period within which the defaulting state shall cure  
4 its default. If the defaulting state fails to cure  
5 the default within the time period specified by the  
6 commission, the defaulting state shall be expelled  
7 from the compact and all rights, privileges, and  
8 benefits conferred by the compact shall be terminated  
9 from the effective date of the expulsion. Any state  
10 that is expelled from the compact shall be liable for  
11 any cure prize or prizes for three years after its  
12 removal. The commission shall also take appropriate  
13 legal action to ensure that any compacting state that  
14 withdraws from the compact remains liable for paying  
15 its responsibility towards a prize for a cure that was  
16 accepted while the compacting state was a member of  
17 the commission; and

18 (2) The expelled state shall reenact the compact in order  
19 to become a compacting state.

20 (c) Dissolution of Compact.



1           (1) The compact shall dissolve effective upon the date of  
2           either of the following:

3           (A) The withdrawal or expulsion of a compacting  
4           state, which withdrawal or expulsion reduces  
5           membership in the compact to one compacting  
6           state; or

7           (B) The commission votes to dissolve the compact; and

8           (2) Upon the dissolution of the compact, the compact  
9           becomes null and void and shall be of no further force  
10          or effect, and the business and affairs of the  
11          commission shall be wound up and any surplus funds  
12          shall be distributed in accordance with the  
13          commission's bylaws; provided that the commission  
14          shall pay all outstanding prizes awarded before the  
15          dissolution of the compact, as well as any other  
16          outstanding debts and obligations incurred during the  
17          existence of the compact. Any unawarded funds donated  
18          to be a part of a prize shall be returned to the  
19          donor, along with any interest earned on the amount.

20                 ARTICLE XV. SEVERABILITY AND CONSTRUCTION



1 (a) The provisions of the compact shall be severable; and  
2 if any phrase, clause, sentence, or provision is deemed  
3 unenforceable, the remaining provisions of the compact shall be  
4 enforceable.

5 (b) The provisions of the compact shall be liberally  
6 construed to effectuate its purposes.

7 ARTICLE XVI. BINDING EFFECT OF COMPACT AND OTHER LAWS

8 (a) Other Laws: Nothing herein prevents the enforcement of  
9 any other law of a compacting state, except as provided in  
10 subsection (b)(2) of this Article.

11 (b) Binding Effect of the Compact.

12 (1) All lawful actions of the commission, including all  
13 commission rules, are binding upon the compacting  
14 states;

15 (2) All agreements between the commission and the  
16 compacting states are binding in accordance with their  
17 terms;

18 (3) Except to the extent authorized by the compacting  
19 state's constitution or, if constitutional  
20 authorization is not required, by other law of the



1 compacting state, the state, by entering into the  
2 compact does not:

3 (A) Commit the full faith and credit or taxing power  
4 of the compacting state for the payment of prizes  
5 or other obligations under the compact; or

6 (B) Make prize payment responsibilities or other  
7 obligations under the compact a debt of the  
8 compacting state;

9 (4) Upon the request of a party to a conflict over the  
10 meaning or interpretation of commission actions, and  
11 upon a majority vote of the compacting states, the  
12 commission may issue advisory opinions regarding the  
13 meaning or interpretation in dispute; and

14 (5) If any provision of the compact exceeds the  
15 constitutional limits imposed on any compacting state,  
16 the obligations, duties, powers or jurisdiction sought  
17 to be conferred by that provision upon the commission  
18 shall be ineffective as to that compacting state, and  
19 those obligations, duties, powers, or jurisdiction  
20 shall remain in the compacting state and shall be  
21 exercised by the agency thereof to which those



1 obligations, duties, powers, or jurisdiction are  
2 delegated by law in effect at the time the compact  
3 becomes effective.

4 § -3 **Execution.** The governor shall execute the compact  
5 on behalf of this State and perform any other acts that may be  
6 deemed requisite to its formal ratification and promulgation.

7 § -4 **State commissioner.** (a) The governor, with the  
8 advice and consent of the senate, shall appoint the member of  
9 the commission for this State of the Solemn Covenant of the  
10 States to Award Prizes for Curing Diseases that is created under  
11 the provisions of Article II of the Solemn Covenant of the  
12 States to Award Prizes for Curing Diseases. The position of  
13 commissioner shall be placed within the department of health for  
14 administrative purposes.

15 (b) The qualifications and terms of office of the member  
16 of the commission for this State shall conform with Article II  
17 of the compact.

18 (c) The commissioner shall serve without compensation but  
19 shall be reimbursed for any actual and necessary expenses  
20 incurred in the performance of the commissioner's duties for the



1 Solemn Covenant of the States to Award Prizes for Curing  
2 Diseases.

3 § -5 Expenditures; reports. Expenditures by the Hawaii  
4 commissioner shall be made upon warrants issued by the state  
5 comptroller based upon vouchers approved by the Hawaii  
6 commissioner. A report of the activities and expenses of the  
7 Hawaii commissioner and a proposed program for the State's  
8 continuing participation in the activities of the Solemn  
9 Covenant of the States to Award Prizes for Curing Diseases,  
10 including a budget request, shall be submitted by the Hawaii  
11 commissioner to the legislature for each regular legislative  
12 session."

13 SECTION 2. This Act shall take effect upon its approval.



S.B. NO. 663  
S.D. 1

**Report Title:**

Health; Interstate Commission; Awards

**Description:**

Enacts an interstate compact to award prizes for the curing of diseases. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

